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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-862, C-570-025]

Certain Polyethylene Terephthalate Resin from India and the People's Republic of China: Countervailing Duty Order (India) and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order (People's Republic of China)

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: Based on affirmative final determinations by the Department of Commerce (the Department) and the International Trade Commission (ITC), the Department is issuing countervailing duty orders on certain polyethylene terephthalate (PET) resin from India and the People's Republic of China (PRC). Also, as explained in this notice, the Department is amending its final affirmative determination with respect to PET Resin from the PRC to correct rates assigned to Xingyu New Material Co., Ltd. (Xingyu) and all-other producers/exporters from the PRC.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Yasmin Bordas at (202) 482-3813 or John Corrigan at (202) 482-7438 (India); Yasmin Bordas or Emily Maloof at (202) 482-5649 (PRC), AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On March 14, 2016, the Department published its final determinations in the countervailing duty investigations of PET resin from India and the PRC.¹

On March 14, 2016, the Department received a timely allegation from DAK Americas, LLC, M&G Chemicals, and Nan Ya Plastics Corporation, America (Petitioners), that the Department made ministerial errors in the final determination in the CVD investigation of PET resin from the PRC.² The Department analyzed Petitioners' comments and determined that ministerial errors exist, as defined by section 705(e) of the Act and 19 CFR 351.224(f). *See* "Amendment to the PRC CVD Final Determination" section below for further discussion.

On April 28, 2016, the ITC notified the Department of its final determinations pursuant to sections 705(b)(1)(A)(i) and 705(d) of the Tariff Act of 1930, as amended (Act), that an industry in the United States is materially injured by reason of subsidized imports of PET resin from India and the PRC, and its determination that critical circumstances do not exist with respect to imports of subject merchandise from India³ that are subject to the Department's affirmative critical circumstances finding, in part.⁴

¹ *See Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin From India: Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin From India: Final Affirmative Determination and Final Affirmative Critical Circumstances Determination, in Part*, 81 FR 13334 (March 14, 2016); *see also Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin From the People's Republic of China: Final Affirmative Determination*, 81 FR 13337 (March 14, 2016) (*Final Determinations*).

² *See* Letter from Petitioners, "Investigation of Certain Polyethylene Terephthalate Resin from the People's Republic of China – Petitioners' Ministerial Error Comments," dated March 14, 2016.

³ No critical circumstances were alleged with respect to imports of subject merchandise from China.

⁴ *See* ITC Notification Letter to the Deputy Assistant Secretary for Enforcement and Compliance, referencing ITC Investigation Nos. 701-TA-531-532 and 731-TA-1270-1273 (April 28, 2016) (ITC Notification).

Scope of the Orders

The merchandise covered by these orders is polyethylene terephthalate (PET) resin having an intrinsic viscosity of at least 0.70, but not more than 0.88, deciliters per gram. The scope includes blends of virgin PET resin and recycled PET resin containing 50 percent or more virgin PET resin content by weight, provided such blends meet the intrinsic viscosity requirements above. The scope includes all PET resin meeting the above specifications regardless of additives introduced in the manufacturing process.

The merchandise subject to these orders is properly classified under subheading 3907.60.00.30 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

Amendment to the PRC Final Determination

As discussed above, after analyzing the comments received, we determined, in accordance with section 705(e) of the Act and 19 CFR 351.224(e), that we made ministerial errors in certain calculations for the PRC *Final Determination*, with respect to Xingyu. This amended final CVD determination corrects these errors and revises the *ad valorem* subsidy rate for Xingyu. The amended *ad valorem* subsidy rate for Xingyu is 7.53 percent. The *ad valorem* subsidy rate for Xingyu was used to calculate the subsidy rate for all-other producers/exporters from the PRC, and, as such, the amended *ad valorem* subsidy rate for all-other producers/exporters in the PRC is 27.55 percent.⁵

⁵ See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Response to Ministerial Error Comments Filed by Petitioners," dated May 2, 2016.

Countervailing Duty Orders

In accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC has notified the Department of its final determinations that the industry in the United States producing PET resin is materially injured by reason of subsidized imports of PET resin from India and the PRC, and that critical circumstances do not exist with respect to imports of subject merchandise from India that are subject to the Department's affirmative critical circumstances finding, in part. Therefore, in accordance with section 705(c)(2) of the Act, we are publishing these countervailing duty orders.

As a result of the ITC's final determinations, in accordance with section 706(a) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by the Department, countervailing duties on unliquidated entries of PET resin from India and the PRC entered, or withdrawn from warehouse, for consumption on or after August 14, 2015, the date on which the Department published its preliminary countervailing duty determinations in the *Federal Register*,⁶ and before December 12, 2015, the effective date on which the Department instructed CBP to discontinue the suspension of liquidation in accordance with section 703(d) of the Act. Section 703(d) of the Act states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Therefore, entries of PET resin made on or after December 12, 2015, and prior to the date of publication of the ITC's final determination in the *Federal Register* are not liable for the

⁶ See *Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin From India: Preliminary Affirmative Determination, Preliminary Affirmative Critical Circumstances Determination, in Part, and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 48819 (August 14, 2015); see also *Countervailing Duty Investigation of Certain Polyethylene Terephthalate Resin From the People's Republic of China: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 80 FR 48810 (August 14, 2015) (*Preliminary Determinations*).

assessment of countervailing duties due to the Department's discontinuation, effective December 12, 2015, of the suspension of liquidation.

Suspension of Liquidation

In accordance with section 706 of the Act, the Department will direct CBP to reinstitute the suspension of liquidation of PET resin from India and the PRC, effective the date of publication of the ITC's notice of final determinations in the *Federal Register*, and to assess, upon further instruction by the Department pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. On or after the date of publication of the ITC's final injury determinations in the *Federal Register*, CBP must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the rates noted below:

Exporter/Producer from India	Subsidy Rate (Percent)
Dhunseri Petrochem Ltd. (formerly Dhunseri Petrochem and Tea Ltd) (collectively, Dhunseri)	5.12
JBF Industries Limited	153.80
All-Others	5.12

Exporter/Producer from the PRC	Amended Subsidy Rate (Percent)
Jiangyin Xingyu New Material Co., Ltd., Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingjia Plastic Co., Ltd., Jiangyin Xingtai New Material Co., Ltd., Jiangsu Xingye Polarization Co., Ltd., Jiangsu Sanfangxiang Group Co., Ltd., Jiangyin Hailun Petrochemicals Co., Ltd., Jiangyin Xinlun Chemical Fiber Co., Ltd., Jiangyin Huasheng Polymer Co., Ltd., Jiangsu SanFangxiang International Trading Co., Ltd., Jiangyin HuaYi Polymerization Co., Ltd., Jiangyin Xingsheng Plastic Co., Ltd., Jiangyin Chemical Fiber Co., Ltd., Jiangyin Huaxing Synthetic Co., Ltd., Jiangyin Bolun Chemical Fiber Co., Ltd., (collectively, Xingyu)	7.53
Dragon Special Resin (Xiamen) Co., Ltd.; Xiang Lu Petrochemicals Co., Ltd.; Xianglu Petrochemicals (Zhangzhou) Co. Ltd.; Xiamen Xianglu Chemical Fiber Company Limited; and Dragon Aromatics (Zhangzhou) Co., Ltd. (collectively, Dragon Group)	47.56
All-Others	27.55

Critical Circumstances

With regard to the ITC's negative critical circumstances determination on imports of PET resin from India, we will instruct CBP to lift suspension and to refund any cash deposits made to secure the payment of estimated countervailing duties with respect to entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after May 16, 2015 (*i.e.*, 90 days prior to the date of the publication of the CVD *Preliminary Determination*), but before August 14, 2015 (*i.e.*, the date of publication of the CVD *Preliminary Determination*).

Notifications to Interested Parties

This notice constitutes the countervailing duty orders with respect to PET resin from India and the PRC pursuant to section 706(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room B8024 of the main Commerce Building, for copies of an updated list of countervailing duty orders currently in effect.

These orders are issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

May 3, 2016

Date

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